G. R. S. IX-5]

Previous references.

File No. 6 of 1897

Serial Nos. 1–2

191 .

(Gen'. Finance

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for April 1897.

SUBJECT.

proposal for the abolition of the levy of 1/4% discount on currency notes encashed at Treasuries in Kadur District.

213

Indexed

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From The Deputy Commissioner
Kadur District

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Section S.F.
File No 6 1896
Serial No 1

To The Secretary to Government
General and Rev. Departts.

Dated 6th April 1897
Despatched 6th
Received
General No. 649
No.

Enclosure No. 1

On the subject of the encashment of Currency Notes for planters, merchants and the public at the Treasuries of this District and urging the free encashment of Currency Notes upon the consideration of Government.

Such have no intention of changing the existing system under which Currency Notes are cashed in the Treasuries of ——

Rev
8.4.97

Submitted for orders.
15/4/97

Chikmagalur, 6th April 1897.

From

The Deputy Commissioner
Kadur District

To

The Secretary to Government
Genl. & Rev. Departments.

Sir,

I have the honor to address the Government on the subject of the encashment of Currency Notes for Planters, Merchants and the public at the Treasuries of this District.

2. The arrangement under which this measure is being carried out was sanctioned in the Proceedings of Government dated 29th March 1895, No. (2d) 1644 / R.F. 108-93. The charge of 1/4 per cent therein prescribed being described as a fair and moderate charge for the expenditure incurred by Government in connection with the transit of specie.

3. The arrangement has, it is believed, been of advantage to the State and it is, I may say, in the circumstances of this District an indispensable necessity to, at any rate, the European portion of the Planting community

4. The portion of that Community which is represented by the North Mysore Planters' Association are now apprehensive (I think myself on insufficient grounds) that the privilege of having their notes cashed at the Taluk Treasuries is likely to be withdrawn or curtailed.

5. There has been this much foundation for the apprehension entertained by the North Mysore Planters' Association - that in consequence of instructions received from the Comptroller early in the year orders were issued from the District Treasury to the Taluk Amildars to encash currency notes sparingly; and that during February specie was being withdrawn from the District to Bangalore.

The latter measure was altogether unusual, and the District so far from being able to supply specie to Head-quarters has been in the habit of receiving Cash remittances from Bangalore.

The Bangalore Huzur Treasury also

also drew Supply Bills on this District Treasury and the encashment of these contributed to lower still further the Cash balance in the District Treasury.

6. The instructions of the Comptroller as to encashing Currency notes sparingly were, it is believed, issued in consequence of the great stringency in the Money-market and the consequent demand for specie at Head-quarters.

7. The effect of the orders appears however, as is not unusual, to have been misunderstood and exaggerated since on the 16th Ultmo Mr. D'Scott Skirving, the President of the North Imporo Planters' Association, wrote to me that he learned that "it had been 'intimated to the Treasury Office at 'Koppa that notes were to be cashed 'sparingly to Planters and that when 'the existing supply of money was 'exhausted further supplies would 'not be arranged for, and that

'the Planting Community must make
their own arrangements."

Mr. O'Scott Skirving in his letter from
Kheir the above extract is given went on to
describe in strong terms the disastrous
consequences which would in his opinion
result to Planting Community if the
above statement as to the contemplated
action of Government was well-founded.
8. As no orders of a kind to justify the
apprehension expressed by the North
Wynaad Planters' Association had
reached me, I sought to reassure
the President to the Association on the
subject by the following communication:-

"The Koppa Amildar appears to have
'misunderstood the instructions in the
'Treasury Department to cash Currency
'Notes sparingly. It was not intended
'that as long as cash was available
'any refusal of encashment should
'be made. There was also no
'suggestion that planters must
'make their own arrangements

'hereafter for obtaining silver, and
'on this point Mr. Skirving has
'apparently been misinformed.
'As far as the Deputy Commissioner
'is aware there has been no intention
'on the part of Government to go
'back on or depart from the arrange-
'ment under which currency notes
'are cashed for planters & others
'at a charge of 4 annas per cent,
'but the present great demand
'for coined rupees and stringency
'in the money market has led to
'instructions being issued to cash
'notes as sparingly as possible.
'The stringency will, it is hoped,
'pass off soon, but in any case
'the currency notes of the planters
'and others in this District will
'so far as the matter rests with
'the District authorities be en-
'cashed to the greatest extent
'possible".

also drew Supply Bills on this District Treasury and the encashment of these contributed to lower still further the Cash balance in the District Treasury.

6. The instructions of the Comptroller as to encashing Currency notes sparingly were, it is believed, issued in consequence of the great stringency in the money-market and the consequent demand for specie at Head-quarters.

7. The effect of the orders appears however, as is not unusual, to have been misunderstood and exaggerated since on the 16th ultimo Mr. D'Scott Skirving, the President of the North Mysore Planters' Association, wrote to me that he learned that "it had been 'intimated to the Treasury Office at 'Kolar that notes were to be cashed 'sparingly to Planters and that when 'the existing supply of money was 'exhausted further supplies would 'not be arranged for, and that

9. In a letter dated 31st March 1897
(copy of which I now enclose) Mr. O'Scott
Skirving, while acknowledging his satis-
faction with the assurance given by
me on behalf of the District authorities,
urges me to bring to the notice of
Government the great injury which
the planting industry will suffer
if any stringency in the money market
is allowed to curtail the supply to the
District and Taluk Treasuries of the
Cash necessary for the requirements
of the Planters.

10. Mr. O'Scott Skirving in his letter
refers to one instance in which a
Planter was unable to get cash
for notes at the Tundgere Treasury
and there has, I am myself aware,
been at least one other instance
of the kind at Tundgere.

11. The cash balance in Tundgere

was from various causes unusually low last month, but a remittance of Rs 36000 was sent on 24th March 1899 and the Khist collections which have subsequently come in ought under ordinary circumstances to place the Treasury of that Taluk in position to meet all requirements.

12. The Cash balance in the Koppa and Mudgere Treasuries (those in which the European Planters are most concerned) stood on the 1st April as follows:—

Koppa — { 44585:0:0 C. Notes / 12124.9.5 Cash } = 56709.9.5

Mudgere — { 11245.0.0 C. Notes / 39877.5.0 Cash } = 51122.5.0

Special arrangements are being made to supplement the Koppa supply by a remittance of Rs 40000/.

13. It is of course to be regretted that there should have been any

even temporary, instances in which Planters have been unable to obtain encashment of their notes; but as such instances have occurred and as the North Mysore Planters' Association seem to apprehend that there may become further curtailment of the supply of cash under orders from Head-quarters, I feel bound to bring the matter to the notice of Government.

14. Mr. Scott Skirving is, I think, quite justified in representing strongly that an unrestricted encashment of Currency notes is absolutely necessary to the welfare of the Planting Community, and what the North Mysore Planters' Association asks for is, I believe, an assurance from the Government itself (such as I ventured on my own responsibility to give in my note of the 19th March) that there is no intention on the part of Government to go back on the arrangement made in the

Government Proceedings of 29th March 1895, or to allow specie to be drawn away unusual quantities from the District owing to the existing and it is hoped temporary stringency of the money-market.

If Government will be pleased to give the Association such an assurance there can, I believe, be no further ground for complaint, confidence will be restored and the cash flowing into the Banks during the present month will place the Treasuries in a position to meet all possible demands.

The ~~fre~~ encashment of currency notes is certainly of vital importance to the European Planters, and this being so, I feel I cannot press the matter too strongly upon the consideration of Government.

I have the honor to be,
Sir,
Your most obt. Servant

Deputy Commissioner
Kadur District

Koppa
31 - 3 - 97.

To

The Deputy Commissioner
Kadur District.

Sir,

I have the honour to acknowledge receipt of your letter $\frac{1450.}{20-3-97}$ informing me that so far as you are aware there is no intention on the part of Government to go back on or depart from the existing obligation to supply cash for the requirements of the planting communities from Taluk and other Treasuries.

I beg to thank you for instructing the Amildar Harihanpur Treasury to cash notes presented by the Planting Community. I would further beg the favour of your similarly giving instruction to all other Treasuries from which cash is required by the Planting Community. The enclosed letter (from Mr: A. Lee Mavinakere Estate, Kalasa) will explain the necessity for this.

I was well aware that so far as the matter rests with yourself and the District

authorities there would be no difficulty in the matter; but what I would beg of you as the Head of this Planting District, is, that you will be kind enough to bring the matter before the Government of Mysore in such a manner as to preclude the possibility of a stringency or tightness of the money market curtailing the supply to the District and Taluk Treasuries of the cash necessary for the enquirements of the Planting Industry, and that you will bring home to Government the grave results which will certainly ensue if planters are unable to obtain the full amount of cash required for payment of labourers, a condition of things which not only extinguish the Planting Industry and ruin those engaged in it, but that the large gangs thrown out of employment would riot, some probably joining dacoit gangs, the remainder starve unless provided for by Famine relief works.

I have &c.

(Signed) O'Le H Skirving.
President
N. M. P. A.

Copy

Deputy Commissioner
Kadur Distt.

(27)

Section GF.
No 6 1896
Serial No 2

Read letter No 649 of 6th March 1897 from the Deputy Commr of the Kadur District submitting for the favorable consideration of Govt a copy of correspondence between himself & the President of the North Arcot Planters Assn re the encroachment of reserved water in the Pachamalai Hills

No 9113-14
R-7-108-93 20/4/97

Order.

~~Govt observe that the Deputy Commr has no right in the circumstances to question the Madras Govt~~ Govt have no intention of changing the existing system of reserving water in the Pachamalai Hills under the orders of Govt No 16444 of 29th March 1895.

R-7-108-93
20/4/97

To Deputy Commr Kadur &
Comptroller